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FISCAL IMPACT STATEMENT

LS 7479

BILL NUMBER: HB 1573

NOTE PREPARED: Jan 19, 2009

BILL AMENDED:

SUBJECT: Various Professions Matters.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Physician Assistants*- The bill allows a physician assistant (PA) to certify medical conditions for disability placards and operator's licenses.

Continuing Education- The bill allows Board-approved activities to meet certain professional's continuing education requirements.

Destroyed Health Records- The bill exempts a health care provider from liability for health records destroyed in a natural disaster.

Notices and Time Computations- The bill specifies the service of notices and time computations for disciplinary actions.

Pharmacy Violations- The bill provides that a qualifying pharmacist is subject to disciplinary actions if the pharmacist knew or should have known of a violation at the pharmacy. The bill allows a board to require restitution as part of a disciplinary sanction.

Discontinued Practice Health Records- The bill allows a board that regulates certain health professionals to establish the requirements to manage health records when a practice has been discontinued.

Sports Team Healthcare Practitioners- The bill exempts certain sports team healthcare practitioners who provide treatment for their team members from state license requirements.

Barbers- The bill requires a barber shop and barber school to be inspected before an initial license is issued.

The bill removes staggered license barber renewal system. The bill provides that a barber instructor's license and barber's license expire at the same time. The bill allows a person to take the barbers examination not more than five times without additional study. The bill requires 100 hours of additional study before taking a barber exam for the sixth time.

Cosmetology- The bill specifies that the practice of cosmetology does not include massage therapy. The bill requires cosmetology schools and certain salons to be inspected before an initial license is issued.

Reciprocity Requirements- The bill amends the education and practice experience requirements for reciprocity for certain professionals.

Beauty Culture, Esthetician, Tanning Facilities- The bill provides that a beauty culture practitioner's license and beauty culture instructor's license expire at the same time. The bill allows an esthetician with a temporary permit to work under the supervision of a cosmetologist. The bill allows the board to inspect a tanning facility before issuing a license.

Dentist Fees and Recruitment- The bill establishes a fee for dentist's licenses or certain permits. The bill requires the fee to be placed in the dental recruitment fund. The bill establishes a program to provide grants to recruit dentists to underserved areas.

Massage Therapists- The bill requires a massage therapist to have liability insurance and to display the therapist's certification. The bill removes the expiration date from the statute allowing temporary fellowship permits.

Physician Assistants- The bill allows a PA to provide medical referrals to an occupational therapist.

Marriage and Family Therapists- The bill allows certain persons who are in a doctoral program to either apply for a marriage and family therapist associate license or accrue clinical experience. The bill provides the means that marriage and family therapist postdegree experience is accumulated. The bill requires that a person who fails the marriage and family therapist exam three times must apply to the board to retake the exam.

Physician Assistants- The bill allows a PA to provide a referral for physical therapy. The bill amends the list of PA approved programs. The bill removes the requirement that a PA's supervising physician be approved or registered with the Medical Licensing Board (MLB). The bill removes the requirement that a PA with a temporary license must practice onsite with the supervising physician. The bill removes the requirement that a PA must engage in a dependant practice, under the supervision of the supervising physician, and within the supervising physician's scope of practice. The bill allows a PA to provide a medical service that: (1) is delegated by the supervising physician if the service is within the PA's skill, is a component of the physician's scope of practice, and is provided with supervision; or (2) is not a task within the scope of practice of the supervising physician if the physician has adequate training, oversight skills, and supervisory and referral arrangements to ensure competent provision of the service by the PA. The bill removes certain requirements from the PA's supervisory agreement and MLB approval of the agreement. The bill allows a PA to: (1) pronounce the death of an individual; and (2) authenticate with the PA's signature any form that may be authenticated by a physician's signature. The bill requires a supervising physician to not have certain disciplinary restrictions and to maintain an agreement with the PA.

Real Estate Commission- The bill allows the Real Estate Commission to use an emergency rule to adopt the

Uniform Standards of Professional Appraisal Practice.

Funeral and Cemetery- The bill allows the Board of Funeral and Cemetery Service (BFCS) to designate a successor seller when the initial seller does not comply with certain requirements.

Repealers and Conforming Changes- The bill repeals laws concerning: (1) cosmetology license renewal; (2) esthetician reciprocity requirements; (3) inspection of the funeral director examination; (4) PA's definition of "accrediting agency"; (5) use of a PA testing company; (6) the limit on the number of PAs a physician may supervise; and (7) information that a PA and supervising physician must submit to the MLB. The bill makes conforming changes.

Effective Date: June 30, 2008 (retroactive); July 1, 2008 (retroactive); July 1, 2009.

Explanation of State Expenditures: *Destroyed Health Records-* This provision would free the Attorney General (AG) from defending the state in a lawsuit if a state health care facility had health care records destroyed during a natural disaster.

Reciprocity Requirements- Professional boards considering changing reciprocity requirements may have to schedule additional meetings to promulgate new rules, which could increase reimbursement for mileage and per diem.

Pharmacy Violations- This provision could allow the AG to investigate and take action against pharmacists violating statute or rule. The Pharmacy Board could take action to punish a violator.

Discontinued Practice Health Records- If health profession boards were to meet more to adopt rules to regulate the storage of discontinued practice health records, reimbursement for mileage and per diem would increase board expenditures.

Real Estate Commission (REC)- Currently, the rule making process can take up to seven months to implement. This provision would lower that time frame considerably, which could provide the REC the ability to focus on other items of business during meetings. The REC is scheduled to meet nine times during the current calendar year.

Barbers- Currently, the PLA faces expiration of one-fourth of all barber licenses every year. The number of barber licenses was 3,799 as of December 15, 2008. The PLA would be able to more efficiently handle their renewal if the licenses expired on one specific date.

Barber Schools- Barber schools are currently on a bi-annual renewal cycle. The bill would place their expiration at the time of barber licenses (four years). The bill would also place barber instructor license expiration to coincide with beauty culture instructors. This provision would allow the PLA to set the date of expiration. There would be a very slight savings to the PLA if they renewed barber school licenses on a four-year instead of two-year cycle.

Repealers and Conforming Changes- Repealing the ability for funeral director applicants to review their exam would allow the PLA to proceed with the outsourcing of this exam, which would reduce the expenditures of the PLA.

Physician Assistants- The Physician Assistant's Committee (PAC) would no longer be required to approve

or reject applicants' requests to change or add a supervising physician. This provision would allow the PAC to devote its resources to other business. However, a PA would still be required to practice with the supervision of a physician.

Explanation of State Revenues: *Pharmacy Violations*- If more pharmacists are disciplined as a result of this provision, the Pharmacy Board could elect to fine a violator up to \$1,000. Although likely to be minimal, any increase in fines under this provision would be deposited into the state General Fund.

Barbers- This provision could increase revenues from barber exam fees. Currently, the PLA administers the examination for barbers. Fees from this exam go to the state General Fund. The exam fee is assessed for each sitting. If applicants took more than two opportunities to sit for the barber exam, before having to take remedial education, state revenue could increase. However, the PLA intends to outsource the barber exam in the near future. After outsourcing occurs, the state would no longer receive examination fees from applicants.

The requirement for additional hours of training would be reduced by 150 hours, which could lead to an applicant to return for a sixth sitting in a much shorter amount of time.

Barber Schools- Assuming the PLA did not adjust fees for barber schools, there would be a revenue loss to the state as a result of barber schools renewing every four instead of every two years. The projected revenue loss would be approximately \$2,400 per four-year period.

Dentist Fees and Recruitment- The State Board of Dentistry (SBD) would collect an additional \$20 fee that would be placed into the newly created Indiana Dental Recruitment Fund (IDRF). The IDRF would be used to provide incentive grants for dentists serving in underserved areas of the state. Over the FY 2010-FY 2011 biennium, the \$20 fee would generate about \$75,000 in revenue, assuming that recent trends in dentist licensure renewal hold. Money in the fund does not revert to the General Fund.

Cosmetology- Cosmetologist would not be permitted to engage in unlicensed practice of massage therapy. If a cosmetologist did provide massage therapy (MT) without an MT license, the practitioner would commit a Class C infraction.

Reciprocity- the State Board of Cosmetology (SBC) would have the option to adopt rules that would place a year of licensed practice equal to 100 hours of education with respect to reciprocity with other jurisdictions. This provision could increase the number of applicants to the SBC, which would increase fee revenue upon their successful approval for licensure.

Marriage and Family Therapists (MFT)- This provision would have an unknown affect on licensing fees for this profession. The impact would be determined by the path taken by the MFT candidate as provided in the bill. The bill allows a candidate to either: (1) apply for an associate license by meeting current requirements for licensure under law, or (2) elect to not apply for an associate license and instead accrue clinical experience and apply for an MFT license at the conclusion of their doctoral program.

Massage Therapists- MTs that do not display proof of certification when practicing would commit a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Wade Lowhorn & Barbara McNutt, PLA; *Indiana Handbook Of Taxes, Revenues, and Appropriations*, LSA.

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